

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION of OIL, GAS and MINING
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84116
(801) 538-5291

APPLICATION FOR TRANSFER
OF
NOTICE OF INTENTION TO COMMENCE SMALL MINING OPERATIONS

Application is hereby made to transfer the permit to commence small mining operations for the BHY Mine project, permit # S05-0003, currently operated by Pisgah Properties (transferor) to Pisgah Grazing LLC, an Arizona limited liability company (transferee).

As used herein, TRANSFEROR refers to the current operator, TRANSFEE refers to the proposed new operator, NOI refers to the Notice of Intention to Commence Small Mining Operations; PERMIT refers to the approved (or accepted) NOI, including the reclamation contract and reclamation surety.

Upon approval of the Application for Transfer:

1. The Transferor agrees to transfer all rights and obligations to operate under the terms of the NOI to the Transferee, The Transferor will not retain any rights to conduct small mining operations within the area covered by the approved NOI.
2. The Transferor agrees to transfer all rights in and to any surety, including but not limited to, the sum on account at Zion's Bank, Account Number 8911971, to Transferee.
3. Both parties understand the transfer of the ***NOI is not complete until all the applicable requirements are met***, including the submittal and Division approval of an appropriate reclamation surety and a reclamation contract.
4. The transferee has read and has a copy of the current NOI.
5. The Transferee has inspected the site and is fully aware of all existing conditions and responsible for compliance with the conditions of the permit and the obligations regardless of the nature of the conditions at the site.
6. Transferee shall conduct small mining operations on lands included in the NOI in accordance with the Utah Mined Land Reclamation Act, (ACT) Sections 40-8-1 et seq., Utah Code Annotated, (2005, as amended), and the rules promulgated under the ACT (R647- et seq., and the approved NOI).
7. The Transferee shall provide a surety in a form and amount approved by the Division to assure reclamation of the lands affected by the mining operations.

The **Transferor** will remain liable for compliance at the mine site until this transfer application is approved.

S0050003
TaskID# 6504
ce: Lynn

RECEIVED
MAR 02 2015
DIV. OF OIL, GAS & MINING

The signatory below represents that he/she has authority to execute this transfer on behalf of the Transferor, if not a natural person. Statements made in the application are true and correct to the best of my knowledge and belief.

TRANSFEROR:

PISGAH PROPERTIES

Operator/Transferor Name

By WILLIAM HORSLEY

Name of Authorized Officer (Typed or Printed)

PARTNER

Title of Authorized Officer

William W. Horsley

Officer's Signature

2/26/2015

Date

STATE OF ARIZONA

) ss:

COUNTY OF MARICOPA

On the 26 day of FEBRUARY, 20 15, WILLIAM HORSLEY personally appeared before me, who being by me duly sworn did say that he/she is an PARTNER (owner, officer, director, partner, agent or other (specify)) of the Operator PISGAH PROPERTIES and duly acknowledged that said instrument was signed on behalf of said Operator by authority of its bylaws, a resolution of its board of directors, or as may otherwise be required to execute the same with full authority and to be bound hereby.

Mark T. Gale

Notary Public

PHOENIX, ARIZONA

Residing at

JUNE 25, 2018

My Commission Expires:



WILLIAM T. GALE

WILLIAM T. GALE

WILLIAM T. GALE

WILLIAM T. GALE

WILLIAM T. GALE

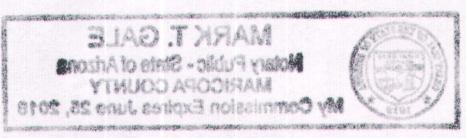
WILLIAM T. GALE

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WILLIAM T. GALE

WILLIAM T. GALE



The signatory below represents that he/she has authority to execute this transfer on behalf of the Operator/Transferee, if not a natural person; and the operator/transferee is a properly organized entity in good standing under the laws of Utah and the United States, is registered as an entity authorized to do business in the State of Utah. Statements made in the application are true and correct to the best of my knowledge and belief.

TRANSFeree:

Pisgah Grazing LLC, an Arizona
limited liability company

By: Paxton, Inc, an Arizona corporation
Its: Manager

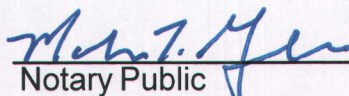

By: Patrick E. Sovereign
Its: Vice-President

27 FEB 2015

Dated

STATE OF ARIZONA)
) ss:
COUNTY OF MARICOPA)

On the 27th day of February, 2015, Patrick E. Sovereign personally appeared before me, who being by me duly sworn did say that he is the Vice-President of Paxton, Inc., Manager of the Operator Pisgah Grazing LLC and duly acknowledged that said instrument was signed on behalf of said Operator by authority of its bylaws, a resolution of its board of directors, or as may otherwise be required to execute the same with full authority and to be bound hereby.


Notary Public

Phoenix, Arizona
Residing at

June 25, 2018

My Commission Expires:

